

# **The Iran-North Korea Strategic Alliance**

Testimony before the  
House Committee on Foreign Affairs  
Subcommittee on Terrorism, Nonproliferation, and Trade  
Subcommittee on Asia and the Pacific  
Subcommittee on the Middle East and North Africa

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Chairman Poe, Chairman Salmon, Chairwoman Ros-Lehtinen, Ranking Members Keating, Sherman and Deutch, and distinguished members of the Subcommittees:

Thank you for the opportunity to appear before you today to discuss the strategic partnership between the Islamic Republic of Iran and the Democratic People's Republic of Korea. That alliance represents one of the most significant, yet overlooked, dimensions of the contemporary challenge posed by both countries. And today, as Congress deliberates the new nuclear agreement struck between Iran and the P5+1, it is a topic that merits renewed attention.

## **IRAN'S ASIA PIVOT**

On January 26, 2012, Defense Secretary Leon Panetta and Joint Chiefs Chairman Gen. Martin Dempsey convened a major press conference at the Pentagon to outline the policies and programs that had been prioritized by the Defense Department in order to build a "smaller and leaner, but agile, flexible, ready and technologically advanced" military.<sup>1</sup> The centerpiece of the event was the unveiling of a new strategic priority: a "rebalancing" of American resources and attention to Asia.

"U.S. economic and security interests are inextricably linked to developments in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia, creating a mix of evolving challenges and opportunities," the supporting policy planning document outlined. "Accordingly, while the U.S. military

will continue to contribute to security globally, we will of necessity rebalance toward the Asia-Pacific region.”<sup>2</sup>

The rationale behind the move was both practical and opportunistic. Politically, the preceding three years had been difficult ones for the Obama administration in the Middle East, punctuated by the turmoil of the “Arab Spring,” the outbreak of the Syrian civil war, and numerous other crises for which the White House did not seem to have a ready response. Against this backdrop, a “pivot” to Asia was widely seen as a quest for greener foreign policy pastures. Practically, meanwhile, the Administration sought to exploit the widespread uneasiness generated by China’s so-called “peaceful” rise to regional prominence, which had precipitated a growing willingness among Asian nations to partner more fully with Washington on security and political issues.

The United States has not been unique in this regard, however. A number of other foreign nations have mirrored this eastward tilt, turning toward Asia as an arena of economic opportunity and strategic engagement. Iran has been prominent among them, and its turn toward Asia represents an important part of a larger “peripheral strategy” by which the Islamic Republic has sought both to ease its international isolation and, more recently, to expand its strategic reach and global influence.

Economically, regional partners such as China have provided the Islamic Republic with a lifeline that has helped to significantly lessen the economic pain caused by American and European sanctions. As of 2013, China alone accounted for approximately 50 percent of Iran’s total crude oil exports (roughly 500,000 barrels per day).<sup>3</sup> Today, that figure is larger still; as part of its confidence-building measures toward Tehran, the Obama administration has suspended implementation of the 2010 *Comprehensive Iran Sanctions, Accountability and Divestment Act*, which requires major Iranian energy clients to steadily draw down their imports of crude from the Islamic Republic in order to avoid sanctions from the United States.<sup>4</sup> Predictably, energy ties between the two countries have surged as a result. In the first half of 2014, for example, China imported some 50 percent more oil from Iran than the same period a year earlier.<sup>5</sup> The situation remains largely the same today.<sup>6</sup>

Moreover, the region has emerged as a significant illicit hub for Iran’s clerical army, the Islamic Revolutionary Guard Corps (IRGC). In May of 2014, Asian news sources disclosed a web of suspicious financial activity throughout the region, encompassing more than \$1 billion of funds squirreled away in a major South Korean bank by Petrosina Arya, an IRGC-linked company, and active accounts by branches of Khatam al-Anbiya, the IRGC’s construction headquarters, in Malaysia.<sup>7</sup> The financial activity, news reports concluded, were part of a systematic effort by the Iranian regime aimed at “dodging internationally coordinated economic sanctions.”<sup>8</sup>

Strategically, meanwhile, Asia has become a significant covert theater for the Islamic Republic. Over the past several years, operatives of Iran’s chief terrorist proxy, Hezbollah, have attempted to perpetrate acts of terror throughout the region,

including in Thailand and the Philippines.<sup>9</sup> On at least one occasion, in February 2012, Iranian-linked radicals successfully bombed an Israeli diplomatic vehicle in New Delhi, India.<sup>10</sup>

Equally significant, however, is Asia's position as a hub for defense technology, including critical assistance to Iran's ballistic missile and nuclear programs. It is in this context that North Korea has emerged as what is arguably Iran's most important regional ally.

### A VIBRANT PARTNERSHIP

In North Korea's capitol of Pyongyang, the embassy of the Islamic Republic of Iran holds particular pride of place. It occupies a sprawling, seven building compound complete with a mosque that is the first in North Korea, and one of only five places of worship formally allowed in the city.<sup>11</sup> The compound is a tangible manifestation of the close ties that have developed between Tehran and Pyongyang over the past three decades.

That partnership finds its roots in the immediate aftermath of the 1979 Islamic Revolution when, in order to evade the weapons embargo imposed by the Carter administration, the IRGC began to erect an indigenous weapons infrastructure. In pursuit of this goal, Iran procured arms from a number of foreign states, most prominently China and the USSR. But Kim Il-Sung's North Korea figured significantly as well; by the early 1980s, the U.S. government estimated that China and North Korea cumulatively were providing the Islamic Republic with 40 percent of its arms. By the late 1980s, that figure had risen to 70 percent.<sup>12</sup>

The centerpiece of the budding Iran-North Korea relationship quickly became collaboration on strategic capabilities. The two countries are said to have launched cooperative missile development back in 1985 under an agreement through which Iran helped to underwrite North Korea's production of 300 kilometer-range Scud-B missiles in exchange for new technology, as well as the option to purchase the completed Scuds. Iran exercised that option two years later, when it reportedly purchased 100 Scud-Bs for use in the closing battles of its long-running war with Iraq.<sup>13</sup>

This interaction expanded in the 1990s, when Iran and North Korea began joint development of Iran's *Shahab* missile series, which – not coincidentally – is closely based on North Korea's nuclear-capable *No Dong* medium range missile. Indeed, according to ballistic missile experts, the *No Dong* and the longer-range *Taepo Dong-1*, and *Taepodong-2* missiles were the basis for Iran's *Shahab 3* and *Shahab 4*, now in service, and its *Shahab 5* and *6* variants, currently in development. The two states are now thought to be collaborating on the development of a nuclear-capable intercontinental ballistic missile.<sup>14</sup>

The Islamic Republic has also relied on the DPRK for help with its nuclear program. A January 2006 article in *Jane's Defense Weekly*, for example, noted that the IRGC had initiated procurement contracts with North Korea to bolster fortifications for nuclear facilities in anticipation of possible preemptive strikes. As part of this effort, a group affiliated with the North Korean government was involved in tunneling and designing underground construction around the Isfahan and Natanz sites.<sup>15</sup>

It is not surprising, therefore, that Iran and North Korea's strategic capabilities have evolved in parallel – and via extensive collaboration. Iranian scientists and technicians, for example, have had a front-row seat to the DPRK's ballistic missile development, regularly attending its missile launches since at least the early 1990s. That cooperation, moreover, is still underway. Iran is known to have dispatched delegations to attend North Korean flight tests of the *No-dong* in July of 2006 and March of 2009.<sup>16</sup> And in the Fall of 2013, the *Washington Free Beacon* reported that a delegation of Iranian technical experts had recently visited Pyongyang as part of ongoing collaboration on the development of a new rocket booster; technology that could significantly advance Iran's long-range missile effort. U.S. intelligence sources cited by the paper described the 80-ton booster in question as a potential thruster for a "super ICBM" or a "heavy lift space launcher" – in other words, something that could allow Iran, currently a regional missile power, to become a global one.<sup>17</sup>

Compelling evidence also exists that Pyongyang and Tehran have collaborated on the nuclear front. During the early 1990s, much of that interaction was mostly secret, due to U.S. pressure on North Korea over its own nuclear development. Even so, press reports at the time strongly suggested that some level of cooperation was indeed underway.<sup>18</sup> Thereafter, cooperation became more active – and public. Both countries, for example, are known to have benefited from the nuclear know-how of Pakistani scientist AQ Khan and his proliferation network, and North Korea is said to have dispatched hundreds of nuclear experts to work in the Islamic Republic and provided it with key nuclear software.<sup>19</sup> And during North Korea's February 2013 nuclear test, a delegation of Iranian scientists (who had offered to pay tens of millions of dollars for access) was in attendance.<sup>20</sup> All of this has led Western experts to speculate that North Korea may have served as an atomic proxy for the Islamic Republic – and that one or more of the nuclear tests carried out by the DPRK over the past decade was in fact done to test Iranian capabilities.<sup>21</sup>

North Korea's partnership with Iran also extends to support of Iran's terror proxy of choice: Lebanon's Hezbollah militia. Several top Hezbollah officials are known to have received military training in North Korea, among them the group's secretary general, Hassan Nasrallah, Hezbollah intelligence and security chief Ibrahim Akil, and Mustapha Badreddine, its counter-espionage czar.<sup>22</sup> The DPRK is also believed to have aided Hezbollah with the construction of elaborate underground tunnels in southern Lebanon – passageways that were uncovered in the aftermath of the group's 2006 war with Israel.<sup>23</sup>

Moreover, other rogues have benefited from the Iranian-DPRK alliance as well, chief among them the regime of Bashar al-Assad in Syria. According to a high-level Iranian defector, Ali Reza Asghari, Iran has helped to finance North Korea's participation in Syria's nuclear weapons program.<sup>24</sup> This allegation is lent credence by the fact that Syria's al-Khibar nuclear reactor, which was successfully destroyed by Israel in a covert bombing campaign in 2007, turned out to be of a design analogous to the DPRK's own nuclear plant at Yongbyon.<sup>25</sup>

The extent of the strategic bonds between the two countries was demonstrated in September 2012, when Iran and North Korea inked a pact on scientific-technical cooperation.<sup>26</sup> The agreement, which closely resembles a similar arrangement signed between the North Koreans and Syria roughly a decade earlier, was presided over by Iranian president Mahmoud Ahmadinejad and Kim Yong Nam, the powerful Chairman of the Presidium of North Korea's Supreme People's Assembly, in a concrete sign of the importance that the two countries place on their "fraternal" ties. But it was also much more. "The Islamic Republic of Iran and North Korea have common enemies since the arrogant powers can't bear independent governments," Iran's Supreme Leader, Ali Khamenei, is said to have told Kim during his visit.<sup>27</sup>

Khamenei's message was unmistakable: Iran sees North Korea as a partner nation, and as an ally in its efforts to increase its own global power and influence, and dilute that of the West.

#### IRAN'S LESSONS LEARNED

The partnership forged between North Korea and Iran over the past three decades has yielded significant benefits for both countries. Through it, the DPRK has become an important stakeholder in Iran's development of ballistic missile and nuclear technology, and its own capabilities in turn can be presumed to have benefited materially from Iran's assistance and input. At the same time, North Korean assistance has significantly accelerated Iran's strategic programs and made them a truly multilateral affair.

Today, amid the deliberations taking place on Capitol Hill over the new nuclear agreement negotiated between Iran and the P5+1, this relationship has taken on added significance, for several reasons.

*North Korea provides Iran with a successful "model" for nuclear diplomacy.* Since the early 1990s, North Korea has engaged in extensive diplomacy with the international community over its atomic effort, obtaining significant diplomatic and economic benefits as a result. Inducements provided to the DPRK as a result of the 1994 "Agreed Framework" and subsequently the now-defunct Six-Party Talks (which stretched from 2003 until 2009) played an instrumental role in strengthening and stabilizing the regime in Pyongyang. They did not, however, lead Pyongyang to give up its nuclear program. Over time, the North Korean regime has reneged on every single one of its international commitments relating to its nuclear effort, from

uranium enrichment to plutonium production to atomic testing.<sup>28</sup> It has done so, moreover, largely without consequence from the international community, which has consistently attempted to moderate North Korean conduct through conciliatory rather than punitive measures.

Iran now finds itself in much the same position. Already, nuclear discussions with the P5+1 have netted Iran the possibility of extensive near-term sanctions relief (valued at \$100 billion or more), as well as exceedingly favorable technical terms that preserve and perfect – rather than roll back – its nuclear project. Much like North Korea before it, the Iranian regime can be expected to pocket these concessions as a means of strengthening its economic position and consolidating its domestic power. But, like North Korea, the West’s current diplomacy is not likely to chill Tehran’s enthusiasm for nuclear status. To the contrary, if history is any indication, Iran will follow North Korea’s example and leverage its nuclear advances to garner still greater concessions from the international community in the future.

*North Korea is a potential source of illicit technology for Iran.* In its terms and provisions, the JCPOA is overwhelmingly focused on the overt means by which the Islamic Republic might attain nuclear status. However, the agreement is largely silent on the covert methods by which it could do so. Thus, even though President Obama has maintained that the deal closes off “all pathways” by which Iran might attain a nuclear capability in the coming decade, experts have warned that a clandestine “pathway” to nuclearization, involving covert procurement of materiel from foreign suppliers, in fact still remains open.<sup>29</sup>

The nature of ties between Tehran and Pyongyang suggest that North Korea could be one of the key sources of covertly-acquired nuclear materiel for the Islamic Republic, should Iran’s leaders choose to develop a capability in this fashion. Indeed, in his January 2014 testimony before the Senate Select Committee on Intelligence, Director of National Intelligence James Clapper made note of “North Korea’s export of ballistic missiles and associated materials to several countries, including Iran and Syria.”<sup>30</sup> The United States has not resolutely confronted this illicit commerce to date. To the contrary, the Obama administration – in its eagerness to conclude a nuclear agreement with Iran – has turned a blind eye to instances of Iranian-North Korean proliferation in the recent past.<sup>31</sup> And because it has, North Korea currently represents an alternative pathway to the atomic bomb for Iran—one that would allow the Islamic Republic to go nuclear over the next decade, even with a diplomatic deal in place. (Moreover, because the JCPOA is silent on the question of Iranian ballistic missile capabilities, Iranian-North Korean commerce in this arena likewise can be expected to continue unimpeded.)

*North Korea has demonstrated the benefits of covert nuclearization.* President Obama and his advisors have repeatedly intoned that “all options,” including military action, remain on the table for dealing with Iran, should the current nuclear pact break down. U.S. policy toward North Korea over the past decade-and-a-half, however, demonstrates that this is not the case. Rather, North Korea’s unexpected disclosure

to the Bush administration in the Fall of 2002 that it possessed a nascent nuclear capability helped to stymie U.S. policy in Asia, which until then had included a range of policy options (among them the use of force against North Korean nuclear facilities), and nudged America and its diplomatic partners into the ultimately futile Six Party Talks.

In much the same way, Iran's leadership understands that the maturity of its nuclear effort will help ensure regime stability and limit Western options. By this metric, the terms of the JCPOA represent a resounding strategic victory for the Iranian regime. At the outset of those negotiations, the objective of the Administration was to obtain a "freeze for freeze," under which Iran would agree to halt its uranium enrichment activities in exchange for a lifting of sanctions. In response to Iranian objections, this goal was downgraded to the more modest one of "freeze for transparency": sanctions relief in exchange for comprehensive Western oversight of Iran's nuclear facilities. But the final terms contained in the JCPOA do not even meet this standard; rather, pursuant to a number of key provisions – including Russian cooperation on nuclear research at the Fordow Fuel Enrichment Plant (Annex I, Section H), European aid in strengthening Iranian nuclear security (Annex III, Section D), and international assistance in aiding Iran to master the nuclear fuel cycle through fuel fabrication (Annex IV, Section 2) – the P5+1 powers will actually help to improve the capability and sophistication of Iran's nuclear effort over time. As a result, they will bring Iran closer to a baseline nuclear capability over the coming decade, perhaps considerably so. In the process, they will greatly constrain U.S. options for responding to Iran's nuclear program, either during the time the JCPOA is in force or the period that immediately follows.

That Iran has successfully learned these lessons is a testament to our failed nuclear diplomacy with North Korea over the past two decades. That Iran is now in a position to act upon them reflects the deficiencies of our new nuclear bargain with the Islamic Republic.

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<sup>3</sup> As cited in Zachary Keck, "Asia is Purchasing Nearly All of Iran's Oil," *The Diplomat*, January 5, 2013, <http://thediplomat.com/2013/01/asia-is-purchasing-nearly-all-of-irans-oil/>.

<sup>4</sup> *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010*, Public Law 11-195, July 1, 2010, <http://www.treasury.gov/resource-center/sanctions/Documents/hr2194.pdf>.

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- <sup>5</sup> Wayne Ma, "China Imports Record Amount of Iranian Crude," *Wall Street Journal*, July 21, 2014, <http://online.wsj.com/articles/china-imports-record-amount-of-iranian-crude-1405946504>.
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